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RUEKJCS/JOINT STAFF WASHDC PRIORITY
RUEHAD/AMEMBASSY ABU DHABI PRIORITY 4733
RUEHAS/AMEMBASSY ALGIERS PRIORITY 1333
RUEHAM/AMEMBASSY AMMAN PRIORITY 5145
RUEHAK/AMEMBASSY ANKARA PRIORITY 5537
RUEHLB/AMEMBASSY BEIRUT PRIORITY 4758
RUEHEG/AMEMBASSY CAIRO PRIORITY 3182
RUEHDM/AMEMBASSY DAMASCUS PRIORITY 5530
RUEHLO/AMEMBASSY LONDON PRIORITY 2372
RUEHFR/AMEMBASSY PARIS PRIORITY 0597
RUEHRB/AMEMBASSY RABAT PRIORITY 9324
RUEHRO/AMEMBASSY ROME PRIORITY 6817
RUEHRH/AMEMBASSY RIYADH PRIORITY 1759
RUEHTU/AMEMBASSY TUNIS PRIORITY 5826
RUCNDT/USMISSION USUN NEW YORK PRIORITY 7809
RUEHJI/AMCONSUL JEDDAH PRIORITY 0655
RUEHJM/AMCONSUL JERUSALEM PRIORITY 0994
RHMFISS/CDR USCENTCOM MACDILL AFB FL PRIORITY
RHMFISS/COMSOCEUR VAIHINGEN GE PRIORITY
RHMFIUU/COMSIXTHFLT PRIORITY

UNCLAS TEL AVIV 002790

STATE FOR NEA, NEA/IPA, NEA/PPD

WHITE HOUSE FOR PRESS OFFICE, SIT ROOM
NSC FOR NEA STAFF

SECDEF WASHDC FOR USDP/ASD-PA/ASD-ISA
HQ USAF FOR X0XX
DA WASHDC FOR SASA
JOINT STAFF WASHDC FOR PA
CDR USCENTCOM MACDILL AFB FL FOR POLAD/USIA ADVISOR
COMSOCEUR VAIHINGEN GE FOR PAO/POLAD
COMSIXTHFLT FOR 019

JERUSALEM ALSO ICD
LONDON ALSO FOR HKANONA AND POL
PARIS ALSO FOR POL
ROME FOR MFO

SIPDIS
E.O. 12958: N/A
TAGS: [OPRC](#) [KMDR](#) [IS](#)

SUBJECT: ISRAEL MEDIA REACTION

SUBJECTS COVERED IN THIS REPORT:

Mideast

Key stories in the media:

Israel Radio reported that Saudi Arabia and the Arab League have written President-elect Barak Obama that they are ready for full peace with Israel in exchange for full withdrawal.

All media quoted FM Livni as saying yesterday that it is not always

possible to bring every soldier home. Livni was talking to students at a Tel Aviv high school. She was responding to a student who asked why soldiers should risk their lives for the state given the government's failure to bring back Gilad Shalit. Leading media also quoted Livni as saying that a Palestinian state is the solution for Israeli Arabs.

Maariv reported that senior Israeli ministers are demanding a significant change in Israeli strategy, which would allow firing at Gaza and stopping supplies of electricity and fuel. The newspaper reported that DM Ehud Barak has checked the [possibility with Israel's top legal experts. Yediot quoted Gaza sources as saying that Hamas has decided, in coordination with other organizations in Gaza, that calm will continue.

All media reported that yesterday the Likud elections committee moved far-right activist Moshe Feiglin from the 20th place on the party ticket to 36th, despite his strong showing at this week's party primary. The move is seen as a triumph for Likud Chairman Benjamin Netanyahu, who was concerned that the success of his archrival Feiglin and his supporters in the primary would foil his effort to present his right-of-center party as more centrist for the election. At first Feiglin said he would appeal the decision and even petition the High Court of Justice. But a few hours later he changed his tack. The Jerusalem Post reported that Netanyahu told the newspaper yesterday that only he would determine the party's policies no matter who was on the list. Yediot bannered: QLikud-Style Democracy.

HaQaretz reported that 100 million shekels in cash (around \$25 million) was transferred to Gaza banks Thursday to enable salaries to be paid to PA employees in the Strip. But PA officials in Ramallah admitted there is no guarantee that some of the money did not find its way to Hamas. The newspaper also reported that the UN Relief and Works Agency for Palestine Refugees (UNRWA) struggles daily for permits to supply Gaza with essential goods.

HaQaretz reported that Netanyahu told a group of European ambassadors in Tel Aviv that he has no interest in Israel ruling over Palestinians in the West Bank and that he is more optimistic about the Palestinian negotiating track than the Syrian.

Leading media reported that a GOI-established committee has recommended that dozens of QunrecognizedQ Bedouin villages be accepted.

Maariv and Israel Radio reported that yesterday in Yemen a Yemeni extremist Muslim shot and killed Moshe Nehari, a leader of the Jewish-Yemeni community.

Leading media quoted the Hollywood Foreign Press Association as saying yesterday that "Waltz with Bashir," Ari Folman's animated film recounting his experiences as a soldier in the First Lebanon War, was nominated yesterday for Best Foreign Film in next month's Golden Globe Awards in Los Angeles.

Mideast:

Summary:

Military correspondent Amos Harel and Palestinian affairs correspondent Avi Issacharoff wrote on page one of the independent, left-leaning HaQaretz: QHamas is convinced that Israel will eventually give in to the public and media pressure and free everyone on its list, regardless of how dangerous they are.

Diplomatic correspondent Herb Keinon wrote on page one of the conservative, independent Jerusalem Post: Q[Netanyahu] has assured various international officials since the primary that he would continue with the Annapolis process, but with some red lines.

Block Quotes:

1I. "Gleefully Watching the IndecisionQ"

Military correspondent Amos Harel and Palestinian affairs correspondent Avi Issacharoff wrote on page one of the independent, left-leaning HaQaretz (12/12): QTzipi Livni may have been trying to send a message to Hamas regarding Israel's unwillingness to pay the price it is demanding for Gilad Shalit. But her wording was distinctly problematic. There is a big difference between the reality that fighting can result in casualties and the government's abandonment of a live soldier in captivity. And it is hard to overstate the importance of the latter. In a country giving its citizens fewer and fewer reasons to believe they ought to risk their lives in its defense, it is crucial that soldiers at least feel convinced that everything possible will be done to bring them home should they be taken captive. Media outlets have increasingly been declaring that Qany priceQ should be paid for Shalit. It is hard to know whether the public agrees.... As for Hamas, it is gleefully watching the growing public pressure in Israel for the government to capitulate to its demands -- namely, the release of some 1,400 Palestinian prisoners, including 450 whom it has demanded by name. These include many people involved in major terror attacks, and Israel has thus far agreed to free less than half of them. But Hamas is convinced that Israel will eventually give in to the public and media pressure and free everyone on its list, regardless of how dangerous they are.

II. "Continuing Annapolis, but with QRed LinesQ"

Diplomatic correspondent Herb Keinon wrote on page one of the conservative, independent Jerusalem Post (12/12): QIsrael must control the airspace of a future Palestinian state, and that entity would have to be demilitarized, Likud head Benjamin Netanyahu has been telling foreign officials in recent days.... [He] has assured various international officials since the primary that he would continue with the Annapolis process, but with some red lines.... Those red lines -Q in addition to the demilitarization of a Palestinian state and Israeli control of its air and electromagnetic space Q also include a unified Jerusalem under Israeli control, and an Israeli presence in the Jordan Valley.... Netanyahu has said in these meting that the current situation in Gaza was Qunacceptable, and that Israel could not accept the existence of what was turning into an Iranian base of operation.

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CUNNINGHAM